

CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Audit Committee
Monday 09 June 2025 6.00 pm– by Zoom

Members Present: Derrick Betts (Chair), Stephen Grainge, Andrew Dowsett.

In attendance: Zoë Lawrence, Paul Goddard (Scrutton Bland), Steve Harper (HaysMac), Tom Beswick (HaysMac), Amanda Thorneycroft (CFO), Luci Ord (Director of Business Development & Apprenticeships)*, Keri Williamson (Scrutton Bland).

*for relevant agenda item only

1	Welcome and apologies for absence DB welcomed everyone to the meeting. Apologies had been received from Grainne Brankin.
2	Declarations of Interest in the agenda items There were no declarations of interest.
3	Minutes of the joint Audit Committee meeting held on 03 March 2025. The minutes of the Audit Committee meeting held on 03 March 2025 were approved as an accurate record. Matters Arising The matters arising were either complete or were included elsewhere on the agenda.
4	STRATEGIC i. Deep Dive – Business Development & Apprenticeships risk register DB thanked LO for the helpful and detailed paper. LO explained how the Business Development and Apprenticeships risk register covered 5000 enrolments to short courses and approximately 400 apprenticeships. There were no risks from this risk register that would score sufficiently highly to be included on the strategic risk register. However, LO explained how the business model was fast paced and needed to be responsive, so it was necessary to work collaboratively with finance, MIS and HR within the college to be effective and that this was a risk area. She also discussed how bidding decisions were made so that the resources were put to best use in the interests of the College. She mentioned that the level of sub-contracting UCG had declined in recent years. The subcontracting certificate was valid until July 2026. DB asked about the of decline in sub-contracting. AT said that this had reduced from £4m to less than £1m in recent years. Apprenticeships used to be sub-contracted but the rules surrounding this had now changed so the allocation was delivered directly. DB asked how many organisations UCG subcontracted to. LO said that there were several including Arsenal Football Club, and Community Systems in Luton with whom UCG had a long-term arrangement. DB commented that it was clear that subcontracting was a strategic decision and not just a way to use the allocation. LO agreed and that the subcontracting partners were reliable with assurance of delivery each year. SG said that the report provided from LO was good clear and full and had no other comments. The Apprenticeships IA was noted later on the agenda.

	ii. Strategic Risk Register AT reported that the main risks on the strategic risk register were very similar to the previous version at the March meeting. The governance risk relating to student achievement had been taken off and was now covered in the student experience and outcomes risk register. This risk had been reset. Whilst it remained on the risk register the reasons and drivers behind the risk had been redefined. The MIS risk concerning study programme hours had also come off the strategic risk register as work had been undertaken to evidence the hours in the event of an audit. AT informed the Committee that the GLA would be conducting an audit of adult provision over the Summer. The main highest risks on the risk register continued to relate to the Wembley Park Project. This also included three financial risks. Cyber security and safety within the college estate were also strategic risks. SG commented that the ratings appeared to be stable although high. He asked about the arrangement for the bond in relation to the Wembley Project. AT explained that this was still being considered and could not be finalised until the payment profile had been agreed. DB asked about the extent to which the Wembley Park Project risks were discussed at the Property & Infrastructure and Finance & Resources Committees. AT confirmed that they were discussed in detail, but the uncertainty surrounding the project particularly relating to the Heads of Terms was the main driver of the risks. She commented that the external funders and Department for Education continued to be supportive and flexible. DB asked about the position on student achievement. ZL said that a paper on predicted achievement was being discussed at the TLS committee later that week which showed improvement in both 16-19 and adult achievement compared to the previous year, but the former was still below the national rate. Also when compared to other London colleges, UCG was near bottom. The Committee noted the strategic risk register.
5	INTERNAL AND EXTERNAL AUDIT i. External Audit Strategy – Letter of Engagement SH presented the External Audit Planning Report and explained that the Letter of Engagement was awaiting formal professional clearance from the previous external auditors and would follow. SH took the committee through the various sections of the report and the definitions for materiality for both the college and subsidiary. TB presented the 8 areas of risk and focus as set out on page 6. SG asked about the use of 65% for performance materiality. SH said that it was a figure used in the first year to be able to cover all error balances and not view them in isolation. SG also asked if the fraud in revenue recognition risk was generic or specific to UCG. SH explained that the Audit Standards required this and there was nothing to suggest that there was a higher likelihood of fraud risk at UCG, so was a generic risk. It was confirmed that the timetable in the report had been discussed and agreed with the finance team, and the dates of the audit meetings in the Autumn term would be included in the next version once confirmed by the Corporation later in June. A good handover from the previous external auditors had taken place. A preference for onsite working during the audit was expressed. HaysMac would also meet with the internal auditors Scrutton Bland in the coming weeks. ii. IA Reports a) High needs learner support

	PG explained that high needs learner support was a difficult area to administer and deliver all requirements. This audit achieved reasonable assurance with 2 medium and 4 low recommendations. The medium recommendations related to record keeping for incoming learners in a consistent manner; and consultations on EHCPs which were overdue. The management responses recognised the issues raised and efforts were already underway to put in processes in place ahead of the new academic year. SG asked if there were financial implications of these risks. PG confirmed that there may be a risk of claw back but a greater risk of incurring costs that were not budgeted for. AT explained that the invoicing process for high needs learners from the London boroughs was difficult and lengthy often causing delays which presented a financial risk. It was confirmed that this report and the following one on student attendance were also being shared with the TLS Committee. b) Student attendance This internal audit achieved reasonable assurance with 3 medium and 4 low risk recommendations. PG said that the average attendance for UCG was lower than the average for other FE colleges. The recommendations were intended to support improvements. It was noted that 1200 registers out of a total of 91,000 were unmarked. Overall this was a small percentage, though completion could improve the attendance level, and drive performance in this area. Another medium risk recommendation related to the cleansing of data for English and maths students earlier in the year; and reviewing patterns of attendance to analyse triggers to be addressed. Management responses to the recommendations were positive with the intention of addressing these areas. c) Fixed asset and general ledger This IA was in essence a snapshot of the implementation of the new finance system and the recommendations related to systems that were less well established at this stage in the process. Management responses were positive as several of the recommendations were planned in any case, but not yet actioned. PG highlighted the top-level access rights and that this may in theory be open to fraud. There was general comfort in the significant level of assurance that the IA provided and that the financial information being produced was accurate. d) Apprenticeship recruitment / employer engagement This audit achieved significant assurance and related to the previous agenda item (Risk Deep Dive). Recommendations related to the finalising of strategies and formalising processes. The management responses were accepted and the management team were actively engaged in the audit process. iii. Internal Audit recommendations – progress/ follow-up ZL presented this summary of outstanding audit actions from previous years' audits. Several had been completed or closed out. The remaining ones mostly included a revised completion date and explanation as to the delay. Reasonable progress was being made in most cases. The follow-up IA would take place in July by Scrutton Bland and report at the next meeting of this Committee in October 2025. iv. Internal Audit (IA) Progress Report 2024/25 This report was provided to inform the Committee of the IAs that were complete and those to be undertaken this academic year. IAs were on track.
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	v. Needs Assessment & Internal Audit Plan 2025/26 This paper set out the audit universe including audits previously undertaken and their outcome. It also proposed a list of 11 audits for 2025/26 covering 57 days of audit work. The Committee noted that the number of days in 2023/24 was 48 and preferred to remain at this level. It was decided that the Health & Safety Audit would be deferred to the following year, and the GDPR audit as it was not an area of risk priority (compared to the other audits posed) would also be deferred. This would reduce the number of audit days to 47.5. The plan included a training day on risk management. A revised version of the Audit Plan would be prepared to be shared with the Corporation later in June. vi. Internal Audit Charter This Charter was shared for noting in relation to the changes to the Global Internal Audit Standards and particularly the mandate on page 3.
6	AOB i. Health and Safety Termly Report Members discussed how the format of the report was problematic in that there was little consistency of use, definition or clarity in the categorisation of H&S incidents to be able to assess any changes or concentration in types of incidents in the college campuses. It was acknowledged the report for this meeting had been reformatted and the detailed reduced, however, the issue concerned the categorisation of incidents that required pre-agreement and possibly the use of a more automated system. It was suggested that reconsideration of what was needed from the data collection at a managerial and reporting level may be useful. Following the action at the previous meeting an additional section had been included detailing the incidents related to violence against women and girls. The tracking of these incidents had only just started, so it was not possible to ascertain whether this was an increase. They had previously been included under other categories of incident. The overlap with safeguarding was noted and whether the format of the safeguarding report could be used as a model.
7	Date of next meeting October 2025 Meeting closed at 7.55 pm

Minutes taken by Zoë Lawrence 10 June 2025

ACTIONS

REF	ACTION	LEAD	STATUS
6	For the format of the report to be reconsidered to include narrative on any significant increase in a particular type of incident and for the categorisation of the incident log to be reviewed.	AT	Complete

SIGNED:

Date:

Derrick Betts, Chair